



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 18-09]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: DSCA at dsca.ncr.lmo.mbx.info@mail.mil or (703) 697-9709.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 18-09 with attached Policy Justification.

Dated: November 2, 2018.

Aaron T. Siegel,

Alternate OSD Federal Register Liaison Officer,

Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
H-209, The Capitol
Washington, DC 20515

SEP 24 2018

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 18-09, concerning the Air Force's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States (TECRO) for defense articles and services estimated to cost \$330 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Hooper", is written over the typed name and title.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification

Transmittal No. 18-09

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Taipei Economic and Cultural Representative Office in the United States (TECRO)

(ii) Total Estimated Value:

Major Defense Equipment*	\$ 0.0 million
Other	<u>\$330.0 million</u>
TOTAL	\$330.0 million

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE): None

Non-MDE:

Foreign Military Sales Order (FMSO) II to provide funds for blanket order requisitions, under a Cooperative Logistics Supply Support Arrangement for stock replenishment supply of standard spare parts, and repair/replace of spare parts in support of the F-16, C-130, F-5, Indigenous Defense Fighter (IDF), all other aircraft systems and subsystems, and other related elements of logistics and program support.

(iv) Military Department: Air Force (TW-D-KDT)

(v) Prior Related Cases, if any: TW-D-KDS, TW-D-KDR

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None

(viii) Date Report Delivered to Congress: **September 24, 2018**

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office in the United States (TECRO) – Foreign Military Sales Order (FMSO) II Case

TECRO has requested a Foreign Military Sales Order (FMSO) II to provide funds for blanket order requisitions, under a Cooperative Logistics Supply Support Arrangement for stock replenishment supply of standard spare parts, and repair/replace of spare parts in support of the F-16, C-130, F-5, Indigenous Defense Fighter (IDF), all other aircraft systems and subsystems, and other related elements of logistics and program support. The total estimated program cost is \$330 million.

This proposed sale is consistent with U.S. law and policy as expressed in Public Law 96-8.

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security and defensive capability of the recipient, which has been and continues to be an important force for political stability, military balance, and economic progress in the region.

The proposed sale of spare and repair parts is required to maintain the recipient's defensive and transport aerial fleet. The recipient has been operating these fleets since 1996 and will have no difficulty absorbing this equipment and support into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

There are no principal contractors involved with this potential sale. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will not require the permanent assignment of any U.S. Government or contractor representatives.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.
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